



QUALITY IMPROVEMENT OF BUSINESS EDUCATION IN GERMANY, AUSTRIA AND SWITZERLAND

A u t o r : D e t l e v K r a n

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Editorial

In Austria, Germany and Switzerland the Foundation for International Business Administration Accreditation (FIBAA) is experiencing a growing interest from the public, from enterprises, as well as private and public suppliers in Business Education.

The range for example Master of Business Administration Programmes (MBA) in Austria Germany and Switzerland is extensive. It begins with the „junior MBA“¹ for students who have just graduated from university. The „Executive MBA“ on the other end of the scale is for managers most of whom have up to ten years practical business experience. There are full-time, part-time and distance-learning programmes or modular programmes that enable the student to do any of the three. The fees for most MBA-programmes range from EURO 10.000,-- to EURO 45.000,-- median EURO 17.000. In the late eighties there were only 10 MBA-providers in Austria, Switzerland and Germany, mostly from abroad. Between 1990 and 1995 this number had increased to 35 providers in 2001 this number had increased to 100. Today students can choose among 180 providers and over 200 Programmes in those three countries.

The number of MBA students in Germany has risen from 500 (estimated 1990) to about 5.500 (2004), about 50 % - 60 % of those students study abroad or as part of joint ventures from abroad. A lot of the MBA-programmes on offer in Austria, Germany and Switzerland, are the result of co-operation² with American or British programmes. 70% of all German MBA-programmes were founded in 1999 – 2004, especially since the German Parliament has officially approved Bachelor and Master Programmes as part of university education. In 1998 a Federal law in Germany was enacted (Framework Act for Higher Education (HRG)) which allowed German Universities to offer bachelor and masters Programmes.

Significantly, the introduction of Bachelors and Masters courses was accompanied by an innovation on the German education scene - that of accreditation. Accreditation agencies, the establishment of an *Akkreditierungsrat* and the adoption of a credit points' system lead to greater transparency and comparison of quality. A similar goal but different methods of quality improvement in Higher Education can be seen in Austria and Switzerland. In anticipation of this development, universities, enterprises and industrial associations established FIBAA in 1994 in order to make the ever-growing market of MBA-programmes and providers more transparent. The recognition of FIBAA by the German Accreditation Council in the year 2000 and 2002 as an professional accreditation body for business related courses of study, is testimony to the organisation's standing.

¹ German term, Compare: EQUAL (European Quality Link) Representing the management education profession in Europe, Draft Proposal for the Designation of Master's Degree Titles in Management Education in Europe, Type A : Generalist Master's for younger students, Updated on 18-10-2000

² WHU – Northwestern University; Universität Augsburg – University of Philadelphia, Universität Mainz - University of Texas, GISMA - Purdue University ; FH Ludwigshafen - University of Lincolnshire & Humberside, Allfinanzakademie – University of Wales, USW – University of Toronto; etc.

Quality improvement

Austria

The growing pressure of the market demanding an increasing transparency and quality control in the area of MBA-programmes does not spare the public sector in German-speaking countries. Several Models of Quality improvement in Austria can be seen. In March 1997 Austria formally recognized MBA and MAS (Master of Advanced Science) titles as acknowledged academic degrees by means of the new university law. The Federal minister of science and traffic responsible for the evaluation of these programmes must take the quality standards of international institutions into account. The goal is to ensure the quality of education and international comparability. FIBAA and its quality standards regarding business administration programmes, is explicitly mentioned in the implementing regulations of the Austrian university law. In 1993 the Austrian Government introduced legislation to create a new "Fachhochschule" (FHS) sector in vocationally oriented Higher Education. This establishment of a new kind of body – the Fachhochschulrat – serves to "accredit" courses and eventually to designate institutions. The Fachhochschule policy appears to have been highly successful. In 1998, 19 providers offered 48 accredited courses. In 2000 the Austrian Government introduced an "Accreditation Council" for private-universities. The aim was to diversify, decentralise and deregulate higher education, breaking away from the traditional centrally controlled university system. The introduction of these two "accreditation models" is remarkable. The policy, and particularly the different accreditation models, are radical in the Austrian context³ (Pechar/Pfeffer, 2001). Definitive plans for accreditation and quality assurance / improvement for state owned universities does not exist as yet. As a Swiss Foundation, FIBAA works as an accrediting body – not state recognized - in Austria⁴.

Germany

As a result of the amended Framework Act for Higher Education (HRG) of 20th August 1998, German Higher Education institutions are able to introduce internationally accepted degree programmes leading to Bachelor's and Master's (BA/MA) degrees. According to the resolution of the Association of Universities and Other Higher Education Institutions in Germany (Hochschulrektorenkonferenz – HRK) of 6th July 1998, it is intended to enlarge the creative scope of the Higher Education institutions, to improve the international compatibility of German university degrees, to enhance student mobility and to increase the quotas of foreign applicants for a place at university.

Significantly, the introduction of Bachelors and Masters courses is accompanied by an innovation on the German education scene - that of accreditation. Accreditation

³ Hans Pechar and Thomas Pfeffer The Accreditation of Fachhochschul Programmes in Austria (Paper presented at the international conference "Accreditation of Higher Education: Comparative Policies in Europe" Vienna, 27 th April 2001)

⁴ FIBAA is the only accrediting body represented in the three german speaking regions (Austria, Germany and Switzerland). FIBAA is member of the European Quality Link⁴ (EQUAL), the European Consortium for Accreditation (ECA) and of the European Network for Quality Assurance in Higher Education (ENQUA)

agencies, the establishment of an *Akkreditierungsrat* lead to greater transparency and comparison of quality. Accreditation agencies must be officially recognised by the *Akkreditierungsrat*

The aim of the *Akkreditierungsrat* is to set up an accreditation system that may consist of differently structured and at times quite variously specialized agencies. Nonetheless, the work and quality of the procedures carried out by the agencies must be maintained at comparable standards. This can only be ensured if cross-programme quality requirements are met. The *Akkreditierungsrat* is the "authority monitoring" whether the standards are being adhered to. It will coordinate, critically monitor and support the work of agencies. In particular this is to be done by way of publications, the organized exchange of experience and by working sessions. Unlike evaluations which primarily constitute a strengths & weaknesses analysis (internal quality assessment), accreditation aims to contribute towards ensuring the quality of both teaching and study by setting basic standards (external quality assessment).



So far, three disciplinary/professional accreditation agencies exist: for business studies (**FIBAA**⁵), for engineering and for natural sciences (**ASIIN**⁶) and social science (**AHPGS**⁷). Additionally, there are three regional based agencies (**ZEVA**⁸) in Lower Saxony, (**ACQUIN**⁹) in Bavaria and (**AQUAS**¹⁰) in Northrhine-Westfalia / Rheinland Pfalz.

⁵ Foundation for International Business Administration Accreditation – FIBAA is recognized from the *Akkreditierungsrat* as the accreditation agency for economy related Bachelor and Masters Programmes in Germany. FIBAA was founded in 1994. Since 1996 FIBAA is member of EQUAL.

⁶ Akkreditierungsagentur für Studiengänge der Ingenieurwissenschaften, der Informatik, der Naturwissenschaften und der Mathematik - ASIIN

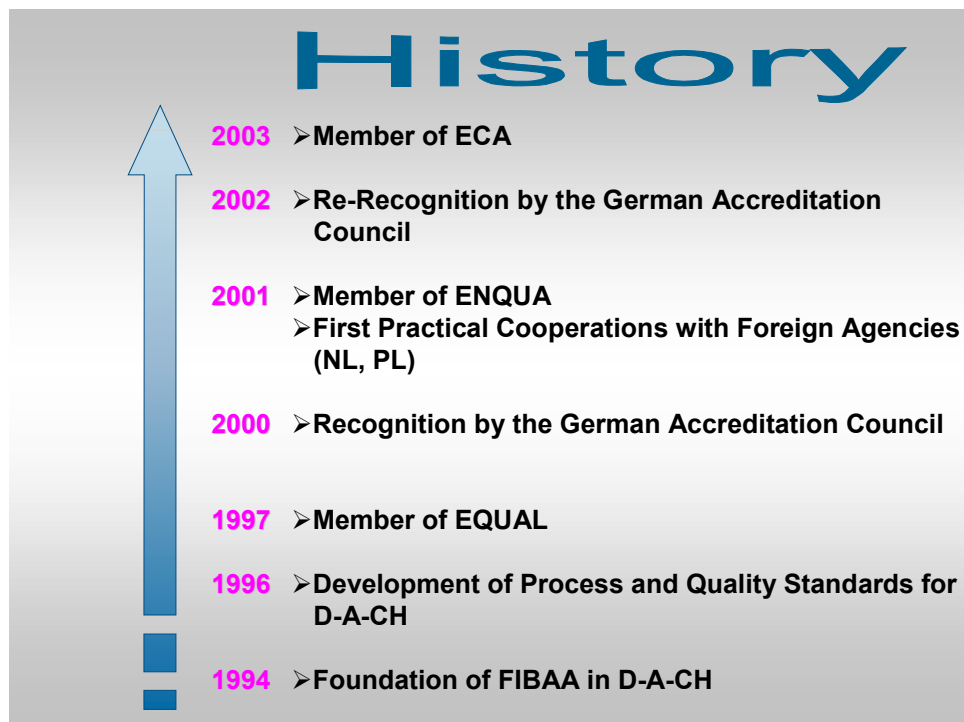
⁷ Akkreditierungsagentur für Studiengänge im Bereich Heilpädagogik, Pflege, Gesundheit und Soziale Arbeit (AHPGS)

⁸ Zentrale Akkreditierungs- und Evaluierungsagentur Hannover - ZEVA

⁹ Akkreditierungs-, Zertifizierungs- und Qualitätssicherungs-Institut - ACQUIN

Switzerland

April 1st 2000, the Swiss Parliament organised the „Bundesgesetz über die Förderung der Universitäten und über die Zusammenarbeit im Hochschulbereich Schweizerischen Universitätskonferenz (SUK)“. The goal is to implement an accreditation- and quality Agency with the intention to enlarge the quality of Higher Education institutions and to improve international compatibility. In 2002 the main task for “Organs für Akkreditierung und Qualitätssicherung” is to set up standards and methods for the developments of the Swiss accreditation system. As a Swiss Foundation, FIBAA will cooperate in the Future with the “Organ”.



¹⁰ Agentur für Qualitätssicherung durch Akkreditierung von Studiengängen - AQAS"

Austrian Higher Education

In Austria, higher education is provided by universities (including the universities of the arts) and Fachhochschulen which were introduced in 1994. There are also Academies (e.g. Teacher Training Colleges). The 2002 University Reform redefined the relationship between the universities and the State. The universities remain state institutions and the State continues to finance them. Universities are fully autonomous to handle their internal affairs and formulate their statutes. The law provides for the establishment of a university board (Universitätsrat) at each institution which comprises leading figures from public life and the private sector. It is also responsible for providing the Federal Minister of Education, Science and Culture with expert opinion on issues concerning the university and launching evaluation measures. The University Assembly elects the rectors. The Ministry assumes a supervisory function in legal affairs and continues to be responsible for strategic planning and research. The law establishes which groups of degree programmes may be introduced at universities and lays general rules concerning admissions and the award of academic degrees. In 1999, the university Accreditation Act was enacted which allows private institutions to obtain accreditation as a Private University by an autonomous board, the Accreditation Council.

University level first stage: A: Bakkalaureus, Bakkalaureus (FH):

Bachelor (Bakkalaureus) programmes have only been introduced in a few fields of study. The universities or Fachhochschulen respectively are free to split diploma programmes into Bachelor and Master programmes. Access to Bachelor programmes is based on the Reifeprüfung/Matura or on the Studienberechtigungsprüfung for non-secondary school leavers. There are two kinds of academic programmes: degree programmes (ordentliche Studien), which lead to the first academic degree, and university course programmes (Universitätslehrgänge) which lead to a Certificate. Bachelor studies last for 6-8 semesters, require at least two Bachelor essays and end with a Bachelor examination (Bakkaureatsprüfung). They lead to the academic degree of Bakkalaureus/Bakkalaurera. Access to Fachhochschule Bachelor programmes is based on the Reifeprüfung/Matura or on the Studienberechtigungsprüfung for non-secondary school leavers, or on a relevant professional qualification in combination with certain additional examinations in subjects of general education. The Fachhochschule Bachelor programmes last for six semesters, including one practical training semester. They lead to the academic degree of Bakkalaureus (FH)/Bakkalaurera (FH).

University level second stage: Magister, Magister (FH), Diplom-Ingenieur, Diplom-Ingenieur (FH): Diploma programmes (i.e. programmes which are not preceded by a bachelor programmes): Access to university diploma programmes (i.e. programmes which are not preceded by a Bachelor programme) is based on the Reifeprüfung/Matura or on the Studienberechtigungsprüfung for non-secondary school leavers. There are two kinds of academic programmes: degree programmes (ordentliche Studien) which lead to an academic degree and university course programmes (Universitätslehrgänge) which lead to a Certificate. Diploma programmes can be divided into two or three stages of study. Each stage of the first degree

ends with a diploma examination (Diplomprüfung; Medicine: Rigorosum) consisting of one or more required subjects. Degree programmes (ordentliche Studien) also require a diploma thesis or a corresponding piece of documentation. The prescribed duration of study for the majority of degree programmes is between eight and ten semesters and twelve semesters for General, Dental and Veterinary Medicine and many programmes in the Arts. Diploma programmes lead to the academic degree of Magister/Magistra, in Engineering to the Diplom-Ingenieur/Diplom-Ingenieurin, in Medicine to the Doktor/t.in der gesamten Heilkunde, i.e. MD. Access to Fachhochschule diploma programmes is based on the Reifeprüfung/Matura or on the Studienberechtigungsprüfung for non-secondary school leavers, or on a relevant professional qualification in combination with certain additional examinations in subjects of general education. The Fachhochschule diploma programmes last for 8 semesters, including one practical training semester. They lead to the academic degree of Magister (FH)/Magistra (FH), in Engineering to the Diplom-Ingenieur (FH)/Diplom Ingenieurin (FH).

C.: Master programmes (i.e. programmes which are preceded by a bachelor programme): Access to university Master programmes (i.e. programmes which are preceded by a Bachelor programme) is based on a completed Bachelor programme. There are two kinds of academic programmes: degree programmes (ordentliche Studien) which lead to the second academic degree and university course programmes (Universitätslehrgänge) which lead to an Advanced Master's degree (e.g. MAS, MBA, LL.M.). Master programmes last for 1-2 years and require a master thesis and end with a Master examination (Magisterprüfung). They lead to the academic degree of Magister/Magistra, in Engineering to the Diplom-Ingenieur/Diplom-Ingenieurin. Fachhochschule Master programmes, which are organized in a similar way to university Master programmes, lead to the academic degree of Magister (FH)/Magistra (FH) and in Engineering to the Diplom-Ingenieur (FH)/Diplom Ingenieurin (FH).

University level third stage: Doktoratstudien:

Doctoral studies generally require a minimum of four semesters. Access is based on a completed Diploma or Master programme at a university or a Fachhochschule. Doctoral programmes demand greater independence from students in their scientific work. Doctoral candidates are required to present a thesis approved by at least two professors and an examining Commission, and pass the final oral examination (Rigorosum). They are then awarded the title of Doktor/Doktorin. Universities of the arts may confer a limited number of Doctoral degrees. A new doctorate, the PhD, has been created by the New University Law. It requires at least 240 credits.

University level fourth stage: Habilitation:

The Habilitation is acquired within the university system and is based on special research achievements after the Doctorate and production of a research monograph. It is awarded with the title Universitätsdozent/in or Privatsdozent/in respectively. This is not an academic degree, but a special university qualification.

German Higher Education

There are public and private state-recognized institutions of higher education categorized as: 1. universities (Universitäten) and equivalent higher education institutions (Technische Hochschulen/Technische Universitäten, Pädagogische Hochschulen); 2. Colleges of art and music (Kunsthochschulen and Musikhochschulen); 3. Fachhochschulen (universities of applied sciences) and Verwaltungsfachhochschulen. Since the early 1990s, the structure of higher education study courses and the internal organization have been the subject of reform. This has involved a review of the standard periods of study and examination requirements and improvements in teaching and a separation of study aimed at preparing students for the practice of a profession and the qualification of a new generation of academics and scientists. One priority is to expand Fachhochschulen and consolidate applied research and technology transfer. Institutions of higher education will be granted further autonomy. Most of the Länder have already amended their laws on higher education accordingly. Following the adoption in 1998 of the Amendment to the Framework Act for Higher Education, further reform concerning the staff structure and recruitment requirements for professors was introduced through the Act's amendment in 2002. An alternative to institutions of higher education is provided by Berufsakademien. These professional academies have taken the principle of the dual system of vocational education and applied it to the tertiary sector. The qualifications they award are recognized as tertiary sector qualifications that fall under the EU directive on higher education degrees by a resolution of the Standing Conference of the Ministers of Education and Cultural Affairs of the Länder of 29 September 1995.

University level first stage: Grundstudium:

Stage I, or basic studies (Grundstudium), usually lasting four semesters (2 academic years) at universities culminate in an intermediate examination (Diplom-Vorprüfung, Zwischenprüfung). This examination gives the right to continue in Stage II (Hauptstudium). A degree is not awarded. Since 1998, a basic higher education degree within the new graduation system of consecutive study courses, the Bachelor (or Baccalaureatus) has also been introduced in universities requiring a minimum of three years' study (maximum four years). It normally leads to a career. Fachhochschulen (universities of applied sciences) offer application-oriented study courses mainly in Engineering, Economics, Social Work, Public and Legal Administration and Health and Therapy. A Diplomgrad (Diplom degree) is awarded after the Diplomprüfung (Diploma examination), e.g. Diplom-Ingenieur (FH). The initials "FH" are added to the Diplom degrees of the Fachhochschulen. According to the Regelstudienzeit (standard period defined for each period of study), a degree programme at Fachhochschulen should be completed in 6/8 semesters (2 semesters = 1 academic year), including one or two practical semesters. Success in the final academic examination usually qualifies the candidate for a particular profession. Some Fachhochschulen have adopted a similar approach to the Berufsakademien, particularly in Engineering and Business Management and have introduced courses that combine academic studies with on-the-job training, along the lines of a dual system. These courses are called dual courses of study (duale Studiengänge). The students have training or employment contracts. Fach-

hochschulen also confer Bachelor's and Master's degrees. The new graduation system introduced in 1998 supplements the traditional Diplomgrad conferred by the Fachhochschulen. For courses with a more theoretical orientation the Bachelor/Master of Arts or Bachelor/Master of Science is awarded. In the case of study courses that are more application oriented the actual degree has a subject-related supplement (e.g. Bachelor/Master of Engineering).

University level second stage: Hauptstudium:

Stage II consists of more advanced studies (Hauptstudium) leading to the final degree examination. The Hauptstudium usually lasts for five more semesters and leads to the award of the Diplom. The Magister is awarded by universities, predominantly in the Arts, on the basis of the Magister examination. The course of study comprises either two equally weighed major subjects or a combination of one major and two minor subjects. As a first degree, the Magister is usually awarded as a Magister Artium/MA without specifying individual subjects. The Magistergrad can also be awarded at the end of one or two years' postgraduate studies following upon the acquisition of a first degree. Alongside this one-tier system, a two-tier system leading to a BA/BSc after three to four years and an MA/MSc after another one to two years has been recently introduced.

University level third stage: Promotion:

Doctoral studies are only pursued in universities (Universitäten). There are several procedures for admitting particularly qualified holders of a degree obtained at a Fachhochschule to doctoral studies at universities. The period of doctoral studies, known as the Promotion, consists of two to four years' independent research and the submission of a thesis following the award of the Diplom/Erstes Staatsexamen/Magister Artium/Master of Arts/Science. The title of Doktor is conferred following upon a written thesis and either an oral examination or the defence of a thesis. The Habilitation is a post-doctoral qualification proving ability to teach and engage in research in an academic subject. It is awarded by the departments of universities and equivalent higher education institutions, usually on the basis of a post-doctoral thesis and a public lecture followed by a discussion. Following the amendment of the Framework Act for Higher Education in 2002, the Habilitation will be phased out as a recruitment requirement for professors.

Source: IAU(© IAU)

Swiss Higher Education

In Switzerland, the higher education system at University-level is provided by ten cantonal Universities and two federal Institutes of Technology. However, higher education is also provided by the seven newly created Universities of Applied Sciences (Fachhochschulen) and advanced Vocational Colleges. This sector is currently being reformed on a global scale. Private Universities are basically only to be found in the field of post-graduate studies. There is no numerus clausus for subjects studied at University, except for Medicine at the German-speaking Universities. Studies in Medicine, Dentistry, Veterinary Medicine, Pharmacy, Chemistry and Surveying must follow national requirements and are regulated by the Federal Government.

University level first stage: Grundstudium:

The first period of long-cycle study is essentially devoted to broadly-based studies. It takes 2 to 6 semesters and generally ends with intermediate examinations called Vordiplomprüfungen, Akzessprüfungen, Demi-licence or Propädeutika (Medicine), depending on the subject and the university.

University level second stage: Hauptstudium:

The second stage (Hauptstudium) is devoted to in-depth study often with some specializations. After a further four semesters, a Lizentiat/Licence is conferred in Arts, Law and Science. A further five semesters are required for the Diplom/Diplôme in Engineering. In Medicine, a total of twelve semesters is required, whereas in Dentistry, Pharmacy and Veterinary Medicine a total of ten to twelve semesters are needed. In the course of the implementation of the Bologna Declaration, several universities or subjects at individual universities have already adjusted their curriculum to the Bachelor/Master system.

University level third stage: Nachdiplomstudium:

Shorter postgraduate courses leading to the award of a Zertifikat/Certificat or a Diplom/Diplôme are offered by Universities and other Institutions of higher education. They are usually part-time courses and have a vocational orientation. The Doctorate in Switzerland is regarded as a stage of Postgraduate education. It is awarded by the 10 cantonal universities and the two Federal Institutes of Technology in areas of study such as Arts, Education, Sciences, Engineering, Theology, Law, Economics, and Medicine. The duration of study varies. In Science, the Doctorate may take a further two to five years and in Engineering between two and four years. In Law, Economics and Social Sciences, it may take from one to three years in the German-speaking Institutions and up to four years in the French. The defence of the Doctoral thesis (Doktorprüfung/Examen de Doctorat) may be viva voce or candidates may have to sit for an oral and written examination or have to pass two written examinations and three oral examinations in the chosen major and minor subjects.

University level fourth stage: Medical specialization, Habilitation:

1. Doctors in Medicine and Dentistry (in the field of Orthodontics) wishing to specialize may prepare a Diplôme de spécialité after practical work lasting between five and seven years as assistant Physicians. Doctors in Medicine add FMH (Foederatio Medicorum Helveticorum) after their professional title. Doctors in Dentistry are given the title Kieferorthopäde SSO/Spécialiste SSO orthodontie after four years' Postdoctoral study and an examination. These specializations are currently being revised. 2. The Habilitation is the highest academic Degree awarded only in German-speaking Universities in main fields. After submitting a thesis (Habilitationsschrift), candidates must give a public lecture. The Habilitation qualifies for a Professorship.

Source: IAU(© IAU)

On German Business Education

In Germany, the 1990s also witnessed wide-ranging public discussion on the merits of an MBA form of management education, which focused both on its validity and also on the career implications for those who wished to embark on this course of study. The generated interest in MBA courses was reflected in the number of new courses provided and the number of Germans undertaking courses¹¹. For example, it is estimated that the number of German students studying on MBA programmes increased from about 500 per year in the early 1990s to about 2,500 – 3000 at the turn of the century. Today we have round about 5.000 german MBA Students. Definitions and certainty those related to numbers requires caution however - it has been estimated that about 50-60% of the German Students are studying abroad, a majority in the US or UK, and that of those studying in Germany, about half are studying on non-German originated franchised courses. This means that in 2000 perhaps 250 to 300 German students could be said to be studying on real "German" MBA programmes in Germany (Brackmann / Kran, et al, 2001). Four years later, new date show, that the number of German MBA- Students (worldwide 5.500) in Germany grew dramatic. Brackmann / Kran estimate that in 2004 about 2000 Students studying on real "German" MBA programmes in Germany¹².

Two features are apparent. First, the demand for MBA programmes of study has increased, confirming suggestions that Germans have become more evident on MBA courses in Europe and elsewhere, although the numbers involved are small in relation to the overall numbers of German students engaged in business education to *Diplom* (in US and UK Master) level (about 300.000 Students). Second, it is clear that provision of courses has been dominated by overseas study or else study on franchised courses. In relation to the scale and nature of MBA study four aspects can be considered:

The 2,500 or more German students studying on full- and part-time MBA programmes outside Germany, can be judged substantial. A comparison with UK students studying for an MBA full-time in the UK is instructive. In the UK most MBA students are studying on a part-time basis. It is estimated that in the UK in 1999, of the approximately 10,000 successful graduates, 42% studied full -time, 39% part-time and 19% through distance learning (Association of MBAs, 2000). It may further be noted that of the full-time students studying for an MBA in the UK, non-UK nationals made up a majority of students on courses. (The percentage of non-UK nationals studying full-time for an MBA in the UK is about 70% (Association of MBAs, 2001). A rough calculation indicates therefore that the number of German nationals studying for an MBA full-time is likely to exceed the number of UK nationals doing the same in UK Business Schools.

For a majority of German MBAs, the learning experience has been an explicitly international one and which confers an implicit recognition of high level language skills,

¹¹ Brackmann; Kran (2001): Praxisnah und International – Der MBA in Deutschland, BMBF, Bonn

¹² Brackmann;M Kran (2003) MBA-Guide 2004, Luchterhandverlag, Köln 2003

living in a different culture and exposure to the business practices of another national culture.

Accreditation and the use of the title MBA is a central issue and one which can be assumed to depress demand for MBA programmes. Problems of title recognition¹³ and the variability of quality of courses on offer demand that students considering an MBA programme need to consider very carefully what they are signing up to. These problems extend to the graduate job search where knowledge of what MBA "training" stands for has been viewed as marginal in German firms (Die Zeit, 25.06.98). However, even with some knowledge of the qualification, the variability of quality of programmes produces uncertainty in the minds of recruiting departments.

Despite potential restraints on demand, the supply of MBA programmes in Germany has recently increased. Five different categories of MBA programmes are available in Germany (Das MBA Studium, 2000):

- The state recognised programme provided by public German Higher Education institutions. (Universities and Universities of Applied Science)
- The foreign programme provided in co-operation with public German Higher Education institutions. (state recognized / not state recognized)
- The foreign programme provided in co-operation with private German Business schools. (not state recognized)
- The programme offered by internationally operating Business Schools (not state recognized)
- Firm and consortia programmes (not state recognized)

Recent growth of provision has taken place; it is calculated, for example, that 28 public institutions have established MBA programmes between 1997 and 2000. A substantial increase in the number of wholly German providers of MBA programmes is anticipated to take place. However, the reason for this anticipated increase in Masters degree courses (including MBA programmes) lies well outside of a change in the dynamics of MBA programme supply and demand evident through the 1990s. It is rather that the law governing the conferment of university degrees has changed, and with this change will come profound changes of course duration and status in Higher Education.

Recent Changes and Implications

A strong impulse for change in Higher Education stems from the long recognised difficulties experienced in German universities (Ardagh, 1995). The problems of very lengthy periods of study, seriously unfavourable faculty/student ratios, entry restrictions in the face of excessive demand in many subject areas and high drop out rates are identified as key related issues (Gehmlich, 1995) which require resolution. For students, poor learning conditions, and for government, the financial costs of prolonged support of individuals and institutions is of clear concern.

¹³ Nevertheless the public authorities and Universities in particular still express reservations concerning the MBA. In general, doubts are expressed as to whether studies at foreign universities or business schools have the same quality as the German education. Students who have graduated in US, GB and France through part time or franchise-programmes are very often hindered to use their MBA-degree officially. Human resource departments are also faced with considerable problems in judging the quality of different MBA-schools and MBA-titles. FIBAA, 1996

In 1998 a Federal law was enacted (Framework Act for Higher Education (HRG)) which allowed German Universities to offer courses and award their completion at Bachelor (Fachhochschul) level (typically after a four year course) and Masters level (after the completion of a Bachelor level course, and typically comprising one years of study).

“According to § 19 HRG, degree programmes leading to the award of Bakkalaureus/Bachelor’s and Magister/Master’s degrees can be offered by both universities and Universities of Applied Sciences (Fachhochschulen). Degree programmes with a first professional qualification are completed with the award of a Bakkalaureus/Bachelor’s degree and have to comprise generally a standard period of study of at least three and not more than four years. Degree programmes leading to a further professional qualification are completed with the award of a Magister/ Master’s degree. They generally have a standard period of study of at least one and not more than two years. In the case of consecutive degree programmes leading to Bachelor’s and Master’s degrees, the standard period of study shall not exceed a maximum period of five years.”

The introduction of these possibilities rests upon a policy objective of a Bachelors degree being open to eligible applicants on a non-fee paying basis, with only 30% of the graduates at this level then moving on to complete at Masters level, for which fees will be payable. It is estimated that the number of masters degree courses will represent 50% of all degrees awarded in 10 years time.

Significantly, the introduction of Bachelors and Masters courses is accompanied by an innovation on the German education scene - that of accreditation. Accreditation agencies, the establishment of an *Akkreditierungsrat* and the adoption of a credit points system lead to greater transparency and comparison of quality.

Accreditation agencies must be officially recognised by the Akkreditierungsrat along the lines of joint structural targets set by the Länder in accordance with the KMK resolutions adopted on 3rd December 1998 and 5th March 1999. These documents also set basic criteria for the accreditation of Bakkalaureus/Bachelor and Magister/ Master programmes. Differentiation and specific profile of the programmes are deliberate.

The accreditation process does not primarily aim to achieve a uniformity of services and courses, but rather facilitate transparency and comparability. The creative scope for the agencies should therefore not be impaired by all too rigid preliminary stipulations or definitions. Space should be given to the development of varying degree programme profiles on the basis of formulated quality criteria.

Students will have a greater choice in business education courses and duration and status of studies will follow closely. Employers will have the possibility to understand the differing status and content of those new degrees. Educational institutions must think about the implementation of new course provision, new course content and new methods of teaching and learning. It may be noted that reform of the Higher Education sector is provoking debate and internal resistance from those who oppose what is seen by many as the “Americanisation” of the German HE sector, and who have formed themselves into professional pressure groups.

It is apparent that changes taking place in business education will take some time to develop fully, and that it would be fanciful to think that German management style and industrial culture will be altered quickly simply because of these changes. However, there is evidence that German employers feel that there is room for the reorientation of Higher Education business studies so that new recruits from study are better equipped to contribute to their enterprises. A survey of employers in Lower Saxony conducted by the *Institut der deutschen Wirtschaft Koeln* (1998) revealed a range of key skills and qualities which employers were seeking and yet were not always evident in the graduate applicants. Several areas of deficiency were identified – lack of in practice orientated problem solving strategies, "thinking in the round" and so on, foreign language skills and then social work skills like team working, communication skills, and customer orientation. A majority of firms surveyed felt that development of these key skills and qualities should be integrated within the courses of study pursued, many suggesting methods of co-operation between firms and Higher Education institutions which would increase work experience and practical work based projects.

A further important dimension to the debate about training needs (and provision) hinges on skills and management qualities required to meet the challenges of internationalisation. For existing European multinational corporations the future management skills most required now and in the future have been expressed in terms of an ideal profile for the European manager (Dufor, 1994), with many of the features echoing the skill and aptitude demands of the German firms surveyed and reported above:

Ability To Involve People – communication skills, skills in psychology, capacity to work in teams, capacity to co-ordinate, enthuse and motivate.

International Skills – international experience, competence in languages, geographical mobility, global thinking.

Flexibility – aptitude to manage change, manage diversity, tolerate ambiguity and uncertainty, capacity to learn.

Intuition – intuition, creativity, ability to innovate

Broad Vision – aptitude to have a general view of a situation, deep understanding (sociological, philosophical, ethical).

German corporate life in the last decade has been deeply influenced by the internationalisation processes. The demand for managerial skills, including language skills which will support internationally oriented German firms¹⁴ is clearly relevant. This "international" aspect has also emerged in debate over the essential qualities of full-time MBA programmes offered in Germany, with some arguing that study with a number of different nationalities is an essential ingredient of the learning experience and that teaching should be conducted in the lingua franca of international business - English.

¹⁴ Within the last years demands on management have undoubtedly risen considerably. Young managers have to deal with markets that grow closer together, with different management philosophies and leadership strategies that compete with each other in order to win on the global markets. Therefore they are expected to react quickly and efficiently to ever-changing and sometimes opposing trends. Management development has to be innovative. Above all companies try to strengthen the qualifications of their managers with regard to an effective crisis-management. They are looking for management development programmes that offer a well-balanced education that gives not only a sound theoretical background, but is also practice-orientated and close to economic and practical needs. Dr. Roland Schültz, Geschäftsführender Gesellschafter Henkel KGAG, Düsseldorf, 1996

A further question will be the possible adjustments in business education course content and orientation. Here the role of organisations such as FIBAA in Austria, Switzerland and Germany and the Brussels-based European Foundation for Management Development (efmd), at the European level, will become increasingly important. An important development at European level is the establishment of EQUAL (The European Quality Link (EQUAL), the European association of national accrediting bodies, has as its main objective the continued improvement of quality in business schools), this being an international association of quality assessment and accreditation in the field of European management education. How far homogenisation and maintenance of quality standards of business education across Europe and beyond will result from these national and international developments and initiatives may be

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